



## Field Advisory Services (FAS)

# FASTTRACK

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### National Security Personnel System (NSPS)

## Comment Period Productive; Review Will Follow

#### NSPS Program Executive Office

The mission of the Department of Defense (DoD) is national security, and civilians play a vital role in supporting that mission. The National Security Personnel System (NSPS) provides the Department the tools necessary to recruit, retain, and manage the civilian workforce to accomplish this critical mission more effectively and efficiently.

The Department and the Office of Personnel Management (OPM) published proposed NSPS regulations in the Federal Register on February 14<sup>th</sup> for review by interested parties. Numerous observations were submitted during the comment period that ended March 16<sup>th</sup>, and changes to the NSPS proposal may be made in light of comments received. Meanwhile, as the Department and OPM consider the comments, we would like to emphasize a few fundamentals.

**NEW EASE, NEW OPPORTUNITIES.** Under NSPS there may be more opportunities for civilians as military positions are converted to civilian. NSPS will ease the administrative burden routinely required by the current system. As a result, managers will turn to civilians first when assigning vital tasks that should be performed by civilians.

**SOME UNAFFECTED AREAS.** When necessary to support the mission, the Department has authority under the current system to reassign civilian employees, including reassignment to overseas locations. This au-

thority is unaffected by NSPS. NSPS will not affect rules governing retirement benefits or eligibility, health and life insurance, leave, attendance, and similar benefits. Additionally, NSPS preserves veterans' preference. Veterans will continue to receive preference for hiring. If a reduction in force (RIF) occurs, preference eligibles will be retained over non-preference eligibles.

**RETENTION STANDING.** Speaking of RIF, seniority will continue to be a factor in retention standing. However, because NSPS is a performance-based system, the proposed regulations give greater weight to performance in RIF retention by placing performance ahead of length of service. Employees competing for retention under RIF who have the same performance ratings will be retained based on length of service.

**PAY PROVISIONS.** Employees will be converted into NSPS at their current salary. In many cases, they will also receive a salary increase equal to the amount they have earned toward their next within grade increase (WGI) under the current system. The annual January pay increase, as it is known under the current system, will change. The proposed NSPS pay rules provide for periodic "rate range" adjustments, to adjust the minimum and/or maximum rate of a pay band. When a minimum rate of a pay band is adjusted upward, employees will receive an equivalent increase. There are no "steps," similar to the GS sys-

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## ICUC Training Conference Slated for April 25-29

The Injury and Unemployment Compensation Division (ICUC) will hold its eighth annual training conference the week of April 25-29 in Southbridge, MA. The conference is designed for advanced injury compensation and unemployment compensation program managers. It includes sessions on the Pipeline re-employment program, computer/electronic accommodations

program, Privacy Act as it applies to Office of Workers Compensation Program (OWCP) data, updates to the OWCP billing system, and more. Enrollment is limited to 170 attendees, and reservations will be accepted through April 15<sup>th</sup>. Information about registration, hotel accommodations, travel, and per diem is available at <http://www.cpms.osd.mil/icuc/icuc.htm>.



CPMS' Irene Misorski enjoys the Washington, DC, area's many cultural offerings (see article, page 6). Above: The John F. Kennedy Center for the Performing Arts casts a reflection on the Potomac River.



## NSPS Will Bring Changes in Pay and Other Personnel Policies

(Continued from page 1)

tem, in a pay banding system. Instead, pay increases and/or performance bonuses are based primarily on the employee's performance rating. Unacceptable performers are ineligible for pay increases under the proposed system.

The proposed NSPS pay system includes a locality-based component called a "local market supplement" that is paid in addition to an employee's basic pay. The local market supplement will be based on market conditions related to geographical and occupational factors. This supplement may differ from one occupation to another in a given locality area. Employees will receive increases to the local market supplement, unless they are performing at an unacceptable level.

The aggregate amount of money allocated for civilian compensation for organizations under NSPS cannot be less than the amount that would have been allocated under the existing system. This statutory requirement is contained in the law that authorizes NSPS (i.e., Section 9902 of title 5, United States Code (U.S.C.), as enacted by Section 1101 of the National Defense Authorization Act for FY 2004 (Public Law 108-136), November 24, 2003).

Under NSPS, the overall amount of money that would have been used for the annual January pay adjustment, WGIs, quality step increases, and similar pay-

ments will be used for civilian pay, and those funds will be protected. However, the proposed NSPS pay system will distribute those funds based primarily on performance.

**MANAGERIAL TRAINING AND ACCOUNTABILITY.** Supervisors and managers will play a key role in determining performance-based pay increases. Whether military or civilian, they will receive extensive training on the skills needed for effective performance management. They will be held accountable for how effectively they use the tools provided by NSPS. Civilian supervisors will also be subject to the pay and performance provisions of the system, and their pay will be affected by how well they perform as supervisors and managers.

**RECONSIDERATION PROCESS.** The Department is developing a process that will allow employees to request reconsideration of their rating to a higher authority. This process will apply to all employees under NSPS. Under the current system, employees in the same organization are often subject to different procedures and avenues when challenging performance ratings. This sometimes results in inconsistent decisions. Because of the importance of the performance rating process and its impact on pay, under NSPS the Department will ensure that every employee has the same opportunity to seek appropriate redress.

**EMPLOYEE AND LABOR RELATIONS.** NSPS preserves critical employee rights, such as merit system principles, due process, whistleblower protections, and protection against prohibited discrimination and personnel practices. Employees will still be able to be represented by labor organizations and to bargain collectively. The proposed rules enable the Department

to act expeditiously in carrying out its mission by limiting the situations that are subject to bargaining and speeding up the bargaining process.

We hope this overview has acquainted you with significant facts about NSPS. For more information, visit the NSPS web site, <http://www.cpms.osd.mil/nsps>.

## Web Site Fights Diploma Mills

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The Department of Education, along with OPM, is fighting the diploma mill industry online. On February 1<sup>st</sup>, officials of both agencies unveiled a new web site, [www.ope.ed.gov/accreditation](http://www.ope.ed.gov/accreditation), that lists educational institutions accredited by agencies recognized by the U.S. Secretary of Education.

Assistant Secretary for Postsecondary Education Sally Stroup encouraged agencies to use the list as an initial source to identify bona fide colleges, universities, and trade schools. However, further investigation may be needed if an educational facility is not listed. Ms. Stroup explained that a few were excluded because they chose not to seek accreditation or Federal student aid funding. Still, she said, "Ninety-eight percent of the schools that you are looking for are going to be on this list."

Diploma mills became a burning issue in 2003, when

it was discovered that several high-level Federal officials had received mail-order "degrees" from companies that sold diplomas for a few thousand dollars. As noted in the September 2004 *FASTRACK*, [bogus degrees](#) and credentials pose a potentially serious threat to Federal agencies. This new tool provides a simple means of protection.

## July '05 DoD HR Conference

The fourth annual Department of Defense (DoD) Worldwide Human Resources (HR) Conference will be held July 18-21 at the DoD Executive Training Center in Southbridge, MA. The theme this year will be "DoD HR 2005: Leading the Way." A memorandum from the Acting Deputy Under Secretary of Defense (Civilian Personnel Policy) was issued this month, soliciting participation by the Military Services and the Fourth Estate. Please save the dates!



## DC Circuit Court of Appeals Ruling Eases Obligation to Bargain

Labor & Employee  
Relations [E-mail us](#)

In 2004, the Federal Labor Relations Authority (FLRA) announced a new exception to the duty to bargain by applying the *de minimis* standard to changes in conditions of employment that are substantively negotiable (see article on [59 FLRA 646](#) in the May-June 2004 **FASTRACK**). Now this precedent-setting decision has been upheld by the U.S. Court of Appeals (District of Columbia (DC) Circuit) in *Association of Administrative Law Judges, et al., v. Federal Labor Relations Authority*, Docket

No. 04-1129, January 28, 2005.

In 59 FLRA 646, the Authority revisited its case law of 20 years' standing, which required management to offer to negotiate whenever it initiated a change in conditions of employment that was substantively bargainable. The result of that now abandoned line of FLRA decisions was that "every single management action, no matter how slight the impact," triggered the obligation to bargain (59 FLRA 646, at 653). Did management move the office microwave? That triggered the obligation to bargain.

Needless to say, managers often found themselves at a loss to comply. Yet they risked being found guilty of an unfair labor practice if they failed to do so. It was a troublesome dilemma.

The first instance in which a party explicitly asked FLRA to reconsider and adopt the *de minimis* standard was 59 FLRA 646. At issue was management's alleged failure to bargain over a substantively negotiable issue, employee parking. On appeal, the DC Circuit said the record established that, when management reassigned four of the six parking spaces previously re-

served for bargaining unit employees, their parking was still free, in the same garage, and always available. The Union did not even claim the change had any material effect. Instead, the Union argued that it—and the employees it represents—should be allowed to decide what is worth bargaining over.

The court cautioned that in any future cases, FLRA must "bear the burden...of showing that any particular application of the *de minimis* exception is reasonable" (*Association of Administrative Law Judges, et al.*, page 11). However, in this case the DC Circuit agreed with the Authority that the difference was *de minimis*, noting that:

## TSP Savings Changes Will Soon Be Permitted at Any Time

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Starting this summer, Federal employees will be able to enroll in the Thrift Savings Plan (TSP) or make changes to their existing enrollment at any time. The TSP Open Elections Act of 2004 (Public Law 108-469), December 21, 2004, makes it easier for employees to adjust their retirement savings in response to life events, such as births or deaths in the family, job changes, and geographic moves. In December, the Federal Retirement Thrift Investment Board announced that it would implement this law on July 1, 2005, after the final open season from April 15<sup>th</sup> through June 30<sup>th</sup>.

Beginning April 15<sup>th</sup>, participants may file contribution elections with their supporting human resources offices (HROs) at any time. These elections will be processed under the current rules through June 30.

As of July 1<sup>st</sup>, contribution elections will be processed under the new rules and made effective no later than the first full pay period after they are filed. Participants will continue to file contribution elections with their HROs. HROs will implement the elections by deducting contributions from participants' pay and reporting these amounts to the Thrift Savings Plan each pay period.

The law does not affect the

waiting period that new employees covered by the Federal Employees Retirement System must serve before they become eligible for agency contributions to their accounts. In addition, the law does not affect contribution allocations or inter-fund transfers.

The law also contains a section on enhancing employees' financial literacy. To that end, the Board must evaluate and improve its existing education program for TSP participants. Additionally, OPM must work with the Board to educate Federal employees on the need for retirement savings and investment, and to advise employees of additional information sources.

"Congress has specifically directed that '[t]he provisions of [the Statute] should be interpreted in a manner consistent with the requirement of an effective and efficient Government.' 5 U.S.C. § 7101. In light of this pragmatic direction, we hold the Authority's interpretation of the Statute **not to require bargaining over trivia is neither contrary to the text nor unreasonable**" (*Ibid.*, page 2; emphasis added).

So, alert the editors of *Guinness World Records*: A 20-year game of trivial pursuit has finally come to an end.





## Human Resources Line of Business (HR LoB): DoD Is Designated as an HR Service Provider Candidate

Regionalization & Systems  
Modernization [E-mail us](#)

**T**he Office of Management and Budget (OMB) has promoted the use of shared services across Federal agencies as a way to create high-performance organizations in such areas as financial management and human resources (HR). To this end, the President's FY 2006 budget, which was

released on February 7<sup>th</sup>, named the Departments of Agriculture and the Treasury as eligible to provide HR services for other agencies. Now, three more agencies—the Departments of Defense, Health and Human Services, and the Interior—have received preliminary approval from OMB, in coordination with OPM, to become service providers.

The designated agencies are eligible to enter into competitions to become cross-agency service providers. Other agencies will migrate to a designated service provider, thus reducing or eliminating the need for individual agency systems. This will both save money and enable agencies to better focus on their missions.

Since February 2002, OMB

has led the development of a Federal Enterprise Architecture (FEA), a business-based framework for Government-wide improvement through collaboration across agencies and within the lines of business of the Federal Government. The FEA aims to provide a more citizen-centered, customer-focused Government that maximizes technology investments to better achieve mission outcomes.

## BRAC 2005: A Primer on the Process

Civilian Assistance and Re-Employment (CARE) [E-mail us](#)

**T**his month, President Bush nominated eight individuals to serve on the 2005 Defense Base Realignment and Closure (BRAC) Commission, plus former Veterans Affairs Secretary Anthony Principi as chairman. As the 2005 BRAC round gets underway, HR specialists need to understand how BRAC works.

BRAC is the process the Department uses to reorganize its installation infrastructure located within the United States, for more efficient and effective support of forces. BRAC helps the Department develop innovative ways to consolidate, realign, and find alternative uses for current facilities. It also provides a way to increase readiness.

The statutory basis for BRAC is the Defense Base Closure and Realignment Act of 1990 (Public Law

101-510), November 5, 1990, as amended. The Department's process for 2005 will not vary much from the four prior BRAC rounds that occurred between 1988 and 1995. However, this year's process includes a new statutory emphasis on an installation's military value, including its current and future mission capabilities and space available for force maneuver.

The Secretary of Defense must submit a list of installations recommended for closure or realignment to Congress and the BRAC Commission by May 16<sup>th</sup>. (For a list of BRAC 2005 key decision deadlines, see the related [article](#) in the February **FASTRACK**.)

Previous BRAC rounds led to a 38 percent civilian end-strength reduction between FY89 and FY03. The HR community's role is to manage downsizing and workforce reshaping humanely and efficiently. In past

years, our community rose to the occasion. Indeed, through use of HR programs designed to stabilize civilian employment, more than 90 percent of the DoD civilian drawdown over the past 15 years has occurred without involuntary separations (see related article on the CPMS Program Support Divisions, page 5).

BRAC 2005 presents a new challenge. In preparation, the Acting Deputy Under Secretary of Defense (Civilian Personnel Policy) has convened a work group to develop and implement a rollout strategy for meeting worker assistance needs in communities affected by BRAC. The work group's efforts will be proactive and collaborative across the Department. Other Federal agencies, such as the Department of Labor, will also become involved. Further information will appear in a future article once the rollout strategy has been fleshed out.

Building on the efforts of the FEA to expand e-Government, OMB and designated agency task forces have launched five line-of-business (LoB) initiatives, one of which is the HR LoB. The HR LoB seeks to develop business-driven, common solutions for business processes and/or technology-based shared services that can be made available across the Federal Government.

OPM has been designated the managing partner for the HR LoB. The five existing OPM-led HR e-Government initiatives (i.e., Recruitment One-Stop, Electronic Human Resources Integration, e-Payroll, e-Training, and e-Clearance) will be subsumed by the HR LoB initiative.

The intent is to drive the initiative from a business perspective, rather than a technology focus. The solutions are intended to address distinct business improvements that enhance the Gov-

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## CPMS Program Support Divisions Play Starring Roles

CPMS' five Program Support Divisions provide a wide variety of civilian personnel administrative

services to DoD Components and their activities. The services provided by two Divisions, Injury and

Unemployment Compensation (ICUC) and Civilian Assistance and Re-Employment (CARE), are

outlined below, along with each Division's significant accomplishments and current initiatives. The other three Program Support Divisions will be featured in an upcoming issue of **FASTRACK**.

## OMB & OPM Partnered with Agencies on HR LoB

*(Continued from page 4)*

ernment's performance and services for citizens. The end result of the HR LoB efforts will be to save taxpayer dollars, reduce administrative burden, and improve service delivery beginning in FY05.

During the summer of 2004, 22 agencies partnered with OPM and OMB to develop a business case for the HR LoB. That task force produced a concept of operations that will improve the Government-wide strategic management of human capital by achieving efficiencies in acquisition, development, implementation, and operation of cost-effective HR information systems, as well as improving customer service. The business case has been endorsed by OMB and, as managing partner, OPM is prepared to begin aggressively implementing the HR LoB approach.

The HR LOB concept of operations consists of two primary efforts. The first is the establishment and operation of HR Shared Service Centers (SSCs). The SSC approach is based on a common, reusable architecture that maximizes use of existing commercial and Government software. SSCs are processing centers that deliver a broad array of back-

office services, primarily at the transaction level, to multiple agencies. SSCs will leverage economies of scale in delivering administrative functions to dramatically reduce costs, streamline processes, improve response time, and increase the quality and consistency of service provided. This effort follows closely the DoD regionalization and modernization initiative, but on a Government-wide basis.

The second primary effort is the establishment of HR information system standards and the certification of solutions, similar to the efforts of the Joint Financial Management Improvement Project (JFMIP). This effort will include the standardization of processes through business process reengineering and the evaluation and adoption of Federal Government best business practices for use in HR information systems. This will provide the foundation for the HR SSCs.



A panel of HR officials from 11 agencies recently convened to review and

validate each department's SSC proposals. OPM and OMB indicated that the Department of Defense could be named a service provider (or SSC) because the Department—

- Has conducted business process reengineering;
- Supports over 40 percent of the Federal workforce (including non-DoD agencies);
- Uses commercial off-the-shelf software products; and
- Operates a successful enterprise system.

No impact on the current DoD regionalized structure is expected.

Recently, OPM has solicited agency participation in two HR LoB governing bodies that are chaired by OPM, the Human Resources Information System Requirements Board and the Multi-Agency Executive Strategy Committee (MAESC). Marilee Fitzgerald, Acting Director of CPMS, has been nominated to represent the Department on the Requirements Board, and Jan Hoffheins, CPMS Deputy Director for HR Automated Systems, has been designated to represent the Department on the MAESC. These groups will allow agencies to remain actively engaged in the HR LoB initiative as it progresses.

The CARE Division provides direct transition assistance to the Components and employees in reducing the civilian workforce humanely and efficiently. CARE operates the DoD Priority Placement Program (PPP) and administers the early retirement and buyout programs.

In the past 15 years (FY89-FY04), the Department cut more than 440,000 civilian positions. Better than 90 percent of the drawdown occurred without involuntary separations, in large measure because CARE programs helped to maintain employment stability. Buyouts cushioned the blow, avoiding approximately 175,000 involuntary separations. Additionally, the PPP absorbed more than 82,000 displaced employees.

During the drawdown, the CARE Division was recognized as the most effective, efficient, and sophisticated Federal placement program by the General Accounting Office (now called the Government Accountability Office). CARE also won honors for outstanding innovation from the Ford Foundation and Harvard's John F. Kennedy School of Government.

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## CPMS Personnel-ity Profile

### NAF Office's Irene Misiorski Values Learning and Family Life

Like technology today, shipbuilding drove the economy in Renaissance Europe. Sixteenth century merchant shipbuilders funded their new vessels by selling small ownership shares. Investors received an engraved wooden plaque identifying them as an owner or "plank holder." In modern times, this term has come to mean a person in-

involved in any new venture from the start.

Irene Misiorski is a CPMS plank holder. She joined the Nonappropriated Fund Personnel Policy Office in 1989 as an Administrative Assistant and moved to CPMS with the Office in 1993, the year CPMS was established. "Our Office is a great team where every-

body pitches in to help each other. It's really like a little family," she says.

Family is very important to Irene. "I grew up in New Britain, CT, which was then known as 'the hardware capital of the world.' My family was quite large—I have five siblings, plus 99 first cousins! During my husband's Army career, we had to move often, so the youngest and oldest of our three children were born overseas, and our middle child was born in San Francisco. Being separated from the extended family was hard for us. Still, we really enjoyed being stationed twice in Germany and also living in different locations along the California coast."

Irene also values education highly. "Our son has a master's degree in executive management and is also a certified public accountant. He lives and works in New York City. Our older daughter majored in criminal justice and became a police detective fighting child abuse. She and her husband live with their two sons in the state of Washington. Our youngest has borne three sets of twins! She and her husband, an Army major, are stationed in Heidelberg, Germany."

"As for me, I love learning. My CPMS supervisors have encouraged

me to learn new things, so that I can support our Office better. For instance, early in my tenure here I received information technology training, mostly on Microsoft Word and Excel. I also served on the team that originally designed the CPMS web site and am now on the team that will redesign and update it. It is neat to see a project through like this—to be able to see it evolve and progress."

Not surprisingly, Irene also uses her IT expertise for family leisure-time projects. "I like 'Creative Memories' as a way to tell a story with my photo album and in doing so, to pass on a legacy to our grandchildren." Additionally, she and her husband of 45 years volunteer through their church to counsel young couples. "I helped organize a regional convention for engaged couples in 2003, with former OPM Director Kay Coles James as the keynote speaker. Last year, I was the coordinator of the national convention, and President Bush sent us a really nice letter acknowledging our work to prepare young people for marriage."



## CPMS Program Support Divisions Emerge as Stars

(Continued from page 5)

The ICUC Division provides technical and administrative support to Components and installations on injury and unemployment compensation. ICUC liaison personnel are collocated with Department of Labor district offices to ease inter-agency communication. The Division conducts home visits, audits all DoD unemployment compensation claims, and has undertaken numerous automation initiatives to improve case management.

The results of ICUC's efforts have been impressive. Over the last decade, while Federal Employees' Com-

pensation Act (FECA) payments for the Government overall increased by 29 percent, the DoD increase was only 1.6 percent. Unemployment compensation audits for the same period saved the Department approximately \$9.6 million.

For FY05, the Division has planned home visits for seven geographical areas. An article in the January 2005 **FASTRACK** described the new [Pipeline](#) Re-Employment Program for Defense Employees, which enables injured DoD employees to return to suitable work when partially recovered.

## CPMS Employment Corner

CPMS vacancies are posted at <http://www.hr.dla.mil/onjams/splash.htm>. From that web page, click on the "Job Opportunity Announcement Search

Page" link, scroll down to "Organization Options," select "Hq/CPMS," and scroll down to announcement numbers that start with "CPMS."